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FISCAL IMPACT STATEMENT

LS 6957

BILL NUMBER: HB 1530

NOTE PREPARED: Jan 11, 2003

BILL AMENDED:

SUBJECT: Environmental permit renewals.

FIRST AUTHOR: Rep. Lytle

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill allows an applicant for a permit issued by the Department of Environmental Management (IDEM) who is operating under a continuation of an existing permit pending determination of an application for a new or renewed permit to (1) submit to the Department a draft permit; or (2) hire an outside consultant to prepare a draft permit. The bill allows the applicant to submit the draft permit or hire an outside consultant to prepare the draft permit if the applicant has (1) reached an agreement with the commissioner of the department; or (2) consulted with the commissioner for at least 30 days and failed to reach an agreement. It requires the Commissioner to approve or deny draft permits within specified periods. This bill also prohibits an applicant from receiving a refund of a permit application fee if the permit application concerned the renewal of a permit.

Effective Date: Upon passage.

Explanation of State Expenditures: HEA 1329-2002 allowed an applicant for a renewal of an administratively extended permit to proceed with the remedies available to applicants for new and modifications to a permit, including a refund of the application fee.

IDEM “administratively extended” a permit if the renewal application was submitted within the specified number of days, set in statute or administrative rules, prior to expiration of the existing permit and if IDEM failed to issue the renewal prior to the expiration of the existing permit. An applicant must submit a renewal application at least 180 days prior to expiration for wastewater discharge and 120 days (60 for waste tire processing) prior to expiration for solid waste. For hazardous waste, a renewal application must be submitted within the time specified prior to expiration (180 days for a hazardous waste landfill or incinerator). A facility with an administratively extended permit can continue operating under their existing permit.

IDEM has administratively extended permits in the NPDES (wastewater discharge) program, solid waste program, and hazardous waste program.

On March 28, 2002, approximately 112 administratively extended NPDES permit renewals were pending. The application fee for an NPDES permit renewal is \$50. If all eligible applicants proceeded with the remedy provided by HEA 1329-2002, the revenue loss to the NPDES account of the Environmental Management Permit Operation Fund would be approximately \$5,600.

For solid waste, 29 facilities were operating with administratively extended permits pending. Application fees ranged from \$2,200 to \$15,350, depending on the type of facility. If all eligible applicants requested refunds of their renewal application fees, the revenue loss to the solid waste account of the Environmental Management Permit Operation Fund would be approximately \$269,850.

For hazardous waste, eight facilities had administratively extended permits pending. Application fees ranged from \$17,200 to \$34,000, depending on the type of facility. If all eligible applicants requested refunds of their renewal application fees, the revenue loss to the hazardous waste account of the Environmental Management Permit Operation Fund would be approximately \$175,700.

The proposal allows applicants to submit a draft permit or hire an applicant to submit a draft permit, but removes the provision for refund of renewal application fees. No applicant has requested a refund of the application fee for renewal of an administratively extended permit. However, the “snapshot” of the situation when HEA1329-2002 went into effect suggests a potential revenue loss of around \$451,150 (\$5,600 + \$269,850 + \$175,700).

The proposal has the potential to save approximately \$451,150 in revenue which would be deposited into the Environmental Management Permit Operation Fund. This fund is used for permitting and compliance activities of the respective programs.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Environmental Management

Local Agencies Affected:

Information Sources: Department of Environmental Management

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